GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:14
ANSWERED ON:15.11.2007
LOSSES TO OIL COMPANIES
Singh Shri Rajiv Ranjan (Lalan);Suman Shri Ramji Lal

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether oil companies in the country are incurring loss on domestic sale of petrol, diesel, kerosene and LPG due to increase in the prices of crude oil in international market;

(b) if so, the details of the facts in this regard alongwith the estimated loss likely to be incurred by the said companies on the sale of said products during the period from April to September;

(c) whether the oil companies in the country have earned profit during the said period despite incurring the said loss; and

(d) if so, the profit earned by each company?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA PATEL)

(a)&(b): Yes, Sir. The Public Sector Oil Marketing Companies (OMCs) are incurring under- recoveries on domestic sale of petrol, diesel, PDS Kerosene and domestic LPG as retail selling price of these products have not been corresponding to the increase in the prices of crude oil and petroleum products in the international market. The average price of Indian Basket of crude oil in the international market which was US $ 65.52 per barrel in April'07 has increased to US $ 74.83 per barrel in Sept'07.

The gross estimated under-recoveries of OMCs on sale of sensitive petroleum products, i.e. petrol, diesel, PDS kerosene and domestic LPG during the period Apr-Sept'07 are as under:

Rs./Crores Under-Recovery#	Apr-Sept`07(Provisional)
Petrol	2637.87
Diesel	9911.23
PDS Kerosene	8205.37
Domestic LPG	5608.32
Total	26362.79

Gross under-recoveries without considering oil bonds, upstream assistance and refinery discounts.

(c)&(d): Yes, Sir. The Profit After Tax (PAT) of the OMCs for the period Apr-Sept'07 after taking into account the contribution from the Upstream Oil Companies and assurance of issue of oil bonds for their estimated under-recoveries during Apr-Sept'07 as under:

Rs./Crores Profit After Tax (PAT)	Apr-Sept`07
IOC	5286.16
BPC	1230.90
HPC	766.10